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Mr. BLUMENAUER. Mr. Speaker, I appreciate the opportunity to be here this evening following my good friends and their interesting discussion.

I wanted to spend a couple of moments this evening talking about reform.

Reform has been a major focus of my public service career beginning as a citizen volunteer, working as a State legislator, and a local official. I was pleased to be part of innovation in my native State of Oregon in areas of tax reform, transportation innovation, environmental protection, land use, and government structure.

I am pleased to have been able to take some of the lessons that I learned in Oregon here to our Nation's Capital, working in Congress in areas of energy, bicycles, flood insurance, and health care reform. For me, that's exciting and energizing. That's what makes me a little disappointed, to say at the very least, with what's happening in this session of Congress.

It's sad to see that today in the House the focus is not taking the Affordable Care Act where the questions of its constitutionality have been settled by the Supreme Court and moving forward to accelerate its implementation. Instead, the efforts are to slow it down, to repeal, and to put sand in the gears. Not without a constructive alternative mind you, but just to be against the reform that's on the books.

It's depressing to see repeated attacks on environmental protections, something that Americans care deeply about that makes a difference to the quality of life of our communities, the strength of our economy, the health of our families.

It has been unfortunate that we were given by this Congress earlier this year what has been described, I

think appropriately, as the most partisan transportation bill in history, and certainly the worst, undoing 20 years of transportation reform. Luckily, it collapsed under its own weight, but we were left with a pale 2-year extension, and we're soon going to be right back where we started.

We're watching, more recently, efforts that deal with agriculture in terms of the reauthorization of the farm bill, an opportunity to reform, to be able to save money, to improve the health of our citizens and the economic viability of America's farmers and ranchers. Instead, the bill that has passed out of the committee in the House would concentrate even more subsidy in the hands of fewer wealthy farmers and short-circuit the needs of Americans who eat, people who care about animal welfare, about the environment, and, most importantly, about the welfare of the vast majority of American farmers who, sadly, would have been shut off.

It looks now that the bill is so precarious that it may not even come to the floor of the House, backtracking on efforts to rein in and reform military spending, when just last year there was a bipartisan agreement to deal with reducing the deficit that was balanced between spending for military and nonmilitary accounts. And now we see people retreating from that goal in the military appropriations bill that passed, despite aggressive bipartisan efforts to rein it in, and it is moving forward as a lost opportunity.

Well, it's in that context, Mr. Speaker, that I wanted to discuss the issues that surround the postal service. It's not by any stretch of the imagination that I'm not interested in changing how we do business. I think that's important across the board. I have demonstrated that with my past work, and by word and deed and what I do politically.

I often find myself in agreement with some of the editorial positions from The Washington Post and The New York Times. They're moving forward with an urgent effort to move legislation that would dramatically scale down the postal service, to cut a large number of facilities and suspend 6-day service, assuming that those are the only alternatives available for us going forward.

Well, as I say, I will be the last person to argue that we should not do business differently, but it seems to me that it's past time for us to take a step back and take a hard look at this so-called postal crisis and at potential solutions and their implications.

Mr. Speaker, it is important to note, from the outset, that the postal service has played a vital role in the development of the United States. It dates back to the beginning of our country. The first Postmaster General was Benjamin Franklin. The service was established 236 years ago. And the postal service actually has been involved, when we let it, with a variety of innovations.

There are those who are concerned that today, with the advent of email, that it has somehow made it impossible for the postal service to move forward in this climate. Well, it's interesting. The postal service has been able to survive the telegraph and the fax machine. It has, in fact, been part of the innovation. Airmail service was part of what the postal service did to help launch the aviation industry in this country. And we have, today, a pattern of development of the transcontinental railroad service and the nature of the postal service, itself, tying together American communities.

Part of what I think is important for us to focus on is the role that the postal service plays in rural and small town America. It's an important part of rural and small town America in Oregon and around the Nation, and these communities are facing times of economic stress and isolation.

The post office plays an outside role. Many people revel in the quality of life. It's very desirable in many rural and small town areas, with great traditions. But it's no secret that for many communities and the people who live there, it's a struggle. They have high unemployment, as young people leave and the population ages. There are real challenges in terms of connectivity, access to broadband for over 26.2 million Americans, three-quarters of them living in rural America.

Now, I think it is important moving forward, dealing with the changes to the postal service, to think about the implications for this part of America that often gets lots of rhetoric but not the attention that it deserves.

The postal service in rural and small town America provides services in terms of people being able to get access to not just mail services and a sense of community, tying people together, a sense of identity, but it is a source of good-paying, family wage jobs that play an outside role in this part of the United States.

It is important in terms of being able to access immigration forms and passport services. These are items that are, in some instances, difficult for people in rural and small town America.

And also, as we are watching the explosion of online shopping, which is playing a larger and larger role in the American economy, it's even more significant in rural and small town America. The postal service often provides that last mile for transactions that take place via the Internet--increasingly for senior citizens who rely on mail order pharmacy services to be able to get their prescriptions through the mail.

Looking at the wide range of activities that make a difference for rural and small town America, I think it's important for us to consider what the implications are going to be for them.

Now, there are those that say, well, wait a minute. They'll just have to pay the price because we are facing a funding crisis in the post office. It's bumping up against a \$15 billion debt limit. Bills are coming due. And we have no alternative but to move forward with dramatic reductions in service, including Saturday service and closing facilities.

Well, it's important to reflect on what is the nature of the current funding crisis that faces the post office. Sadly, it is largely a manufactured crisis. The impending funding deadline is simply a result of the legislation in 2006, which was a compromise--a reluctant compromise, but it included a provision that would require the postal service to prefund its health insurance costs for retirees who haven't yet been hired--75 years in the future--and required that funding to be made over the course of 10 years.

Well, thinking about that for a moment, Mr. Speaker, this is actually a device that is not necessary.

No other business or government agency is required to do it 75 years into the future. And, in fact, part of the charm for the people who devised this a few years ago was it actually artificially reduces the Federal Government deficit because these payments are credited to Federal accounts. Even though the post office has been an independent agency since 1971, operating without subsidy, these moneys are credited to the Federal Treasury and are used to try to disguise the true size of our deficit. There is no reason to accelerate the prefunding of this obligation of 75 years to make it occur here in the course of this 10-year window.

Mr. Speaker, I think it's important to point out, after putting it in this context, that this is an artificial crisis. The post office, if it weren't for this extraordinary, unnecessary, and unprecedented prefunding requirement, would actually not be hemorrhaging red ink. In fact, it's very close to being self-sufficient, and it does so despite the constraints that Congress has placed on the postal service. Because, bear in mind, even though it doesn't get support, the Congress has kept a very short leash on what the postal service can do. It doesn't have the flexibility to run like a business, to adjust its pricing, to be able to adjust its product mix, to take advantage of the fact that there is a skilled workforce of over 500,000 people and that it has more facilities around the country than McDonald's, Walmart, and Starbucks combined.

We don't give them the freedom and the flexibility to move forward to take advantage of that platform.

Now, you don't have to be very creative to think of ways that we might be able to work together to be able to slightly modify the services that are provided, and give them more flexibility on the implementation of their service. It is important, I think, to be able to think about what this connectivity means for the American public. If we somehow eliminated the postal service, turned it over to the private sector, cut down more dramatically in terms of what the offerings are, does anybody think we would be able to send a first-class letter from the Florida Keys to Nome, Alaska for 44 cents? The post office moves about 40 percent of the mail in the entire world.

Now there are those that say look at Germany, it has been privatized. Well, look at Germany. Germany is a country that is smaller than Montana, bigger than Wyoming, just to put it in the context of size. It is very densely populated, and it still charges more than 10 percent higher than we do in the United States, and

they are competitive internationally, globally. The German postal service is doing business in the United States, competing with Fed Ex, our postal service, and UPS. It is an extraordinary resource that I think is worthy of consideration of what we've got and how we do it.

Mr. Speaker, as I stated from the outset, I happen to believe in reform. I believe that we need to do business differently, whether it is how we deal with our farm policy, our military policy, tax reform, or health care. I would hope that in Congress we can return to the days where we actually had regular order and we discussed things like this in committee, that every bill wasn't a partisan vehicle, and when there was give and take and challenging one another in terms of ways it could be done better, and listening to a wide variety of opinions. And I say by all means allow a wide variety of opinions to come forward to talk about the future of the postal service. I think that's healthy. I welcome it. I've spent a lot of time talking to people on the Postal Regulatory Commission. I've talked to leadership in the management of the postal service, postal employees, people who are customers, and competitors of the postal service. I want to explore these issues.

I'm absolutely convinced that the interests that are involved with the postal service, broadly defined, including its unions and employees, understand that there is going to be more change taking place in the future. That there are some adjustments where there is probably more capacity than we need, there will be changes going forward. We want to be careful and selective about what we do. But I go back to my point about the impact it will have on rural and small town America. I want to be sure that the changes that we undertake don't make great difficulty for people who don't have the access that some of us who live in metropolitan areas have, people who are connected to the Internet and people who have ready access to other resources.

I think it is important that when people are talking about reducing the sixth day of service, that they think about the implications for individuals who depend on that. For many people who work and get packages that are important to them, being able to have them delivered on Saturday is important, and particularly when you look at holidays that go over weekends, the difficulty of delivery of things like medicine is not a trivial question. And the fact that the postal service is in a sense a partner with some of its private sector competitors, cutting back on that service, what it does

with those competitor-partners and what it does with people who are marketing through the Internet, through the mail, this needs careful consideration.

It is interesting as people dive into the numbers behind the elimination of Saturday service. You're eliminating 17 percent of the postal capacity and it would only save 2, maybe 3 percent, and there would be costs associated with that. It is kind of interesting. I would like us to think about what it does to the business model, if you're going to eliminate 17 percent of the service and you save a couple percent in operation; particularly, as I mentioned, that we constrain what they charge and we have an artificial financial barrier with the 75-year pre-funding of health care.

I think it is important for us to respect what we've got, think about the alternatives, and have a discussion where the interests--whether they are direct mail, they are marketing, they are online shopping, they are people in terms of the pharmaceutical industry, senior citizens, rural and small town America--let's get in and talk about this, find out not by declaring war against postal employees, but working with them in a cooperative fashion to find out suggestions that they have in terms of moving forward, and looking at what this tremendous resource that we have, what the value is.

I'm in the State of Oregon, where now all of our ballots are done by direct mail. It is a way to improve efficiency and lower cost for local governments. Broader application of mail-in ballots would improve the security, the efficiency, and cost savings. We have barely scratched the surface of that.

There have been deep concerns, and I note that we had a somber observance today about the death of a couple of our employees, guards who were gunned down on this day in 1998. We've lived through eras where there were concerns about anthrax, about opportunities that some may be involved with bioterrorism. And there have been scares about pandemics. Well, it may well be in our future that there would be great value to having a network that reaches 150 million addresses six times a week with a skilled workforce that can turn that around in a matter of hours.

You don't have to stretch your imagination very far to think of acts of disease or terror where that network

may well make a difference. We're finding oftentimes in communities that it's the postal worker who is alert to problems within a family or somebody that is missing and not showing up. They are eyes and ears that do not just volunteer projects but connect people. Let's think about the value of that network before we start to unravel it.

Mr. Speaker, I will conclude where I began. I think everybody whose is privileged to serve in this Chamber needs to think about how we do business differently. I think we need to be open to arguments, questions, evidence, to be able to squeeze more value out of the public dollar, to use the resources to protect the vitality and livability of our communities, and to build partnerships and relationships. And I welcome the discussion that we're having with the postal service in the media and here in Congress. But I would hope, Mr. Speaker, we could do it in a way that is thoughtful and broad-based. I would hope that we would be able to look at what the postal service has provided for 236 years. I would hope that we would think about the value of the workforce. It's not just over a half-million family wage jobs that makes a big difference, particularly in small town and rural America, but these are people who have a skill set and a distribution across the country which has other values, some of which I have just mentioned, and others we have not explored.

And last but not least, before we make changes, I think we ought to be sure that we know that they are going to get what is advertised because, despite all of the rhetoric, we have the lowest cost, most efficient postal service in the world, moving 40 percent of the traffic, doing it very cost effectively, despite the fact that Congress, in its wisdom, has tied the hands of the postal service, dictated rates, told them what they could close or not close, and changes course repeatedly.

I would hope we could do a better job working with our partners there and the people who depend on it to make this part of an area where we figure out how to do business differently, because I think there are opportunities not only to save money but to take advantage of this resource. I think it ought to be done thoughtfully, I think it ought to be done soon, and I appreciate the opportunity to discuss it here this evening.

I yield back the balance of my time.